UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2000.

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____________ to ____________

Commission file number 1-4422

ROLLINS, INC.

(Exact name of registrant as specified in its charter)

Delaware	51-0068479
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

2170 Piedmont Road, N.E., Atlanta, Georgia
(Address of principal executive offices)

30324
(Zip Code)

(404) 888-2000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all documents and reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes [X] No [ ]

Rollins, Inc. had 30,026,650 shares of its $1 Par Value Common Stock outstanding as of April 28, 2000.
<TABLE>
<CAPTION>

ROLLINS, INC. AND SUBSIDIARIES

INDEX

</TABLE>

PART I FINANCIAL INFORMATION

Item 1. Financial Statements

<TABLE>
<CAPTION>

ROLLINS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(In thousands except share data)

<S>	<C>	(Unaudited) March 31, 2000 <C>	December 31, 1999 <C>
ASSETS			
	Cash and Short-Term Investments	$ 7,608	$ 5,689
	Marketable Securities	2,190	12,967
	Trade Receivables, Net	46,280	44,878
	Materials and Supplies	13,593	13,429
	Deferred Income Taxes	19,454	19,644
	Other Current Assets	12,665	11,142
	Current Assets	101,790	107,749
	Equipment and Property, Net	48,845	46,245
	Goodwill and Other Intangible Assets	114,809	112,024
	Deferred Income Taxes	44,934	45,015
	Other Assets	3,095	1,907
	Total Assets	$ 313,473	$ 312,940
LIABILITIES			
	Capital Lease Obligations	$ 3,225	$ 3,638
	Accounts Payable	18,381	15,275
	Accrued Insurance	10,418	11,165
	Accrued Payroll	18,709	23,100
	Unearned Revenue	25,307	20,441
	Other Expenses	38,664	37,822
	Current Liabilities	114,704	111,441
	Capital Lease Obligations	1,385	2,450
	Accrued Insurance	43,631	43,745
	Accrual for Termite Contracts	52,447	54,352
	Long-Term Accrued Liabilities	27,304	29,162
	Total Liabilities	239,471	241,150
	Commitments and Contingencies		
STOCKHOLDERS' EQUITY			
	Common Stock, par value $1 per share; 99,500,000 shares authorized; 30,034,379 and 29,881,402 shares issued at March 31, 2000 and December 31, 1999, respectively	30,034	29,881
	Earnings Retained	43,968	41,909

Total Stockholders' Equity	74,002	71,790
Total Liabilities and Stockholders' Equity	$ 313,473	$ 312,940

<FN>
The accompanying notes are an integral part of these consolidated financial statements.
</FN>
</TABLE>

<TABLE>
<CAPTION>

ROLLINS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME AND EARNINGS RETAINED
(In thousands except share and per share data)
(Unaudited)

		Quarters Ended March 31,	
		2000	1999
<S>	<C>	<C>	<C>
REVENUES			
	Customer Services	$ 149,550	$ 129,886
COSTS AND EXPENSES			
	Cost of Services Provided	87,003	76,832
	Depreciation and Amortization	4,267	2,997
	Sales, General and Administrative	57,028	50,431
	Interest Income	(29)	(1,125)
		148,269	129,135
INCOME BEFORE INCOME TAXES		1,281	751
PROVISION (BENEFIT) FOR INCOME TAXES			
	Current	(63)	(1,395)
	Deferred	550	1,679
		487	284
NET INCOME		$ 794	$ 467
EARNINGS RETAINED			
	Balance at Beginning of Period	41,909	49,746
	Cash Dividends	(1,492)	(1,524)
	Common Stock Purchased and Retired	--	(143)
	Other	2,757	(121)
BALANCE AT END OF PERIOD		$ 43,968	$ 48,425
EARNINGS PER SHARE - BASIC AND DILUTED		$ 0.03	$ 0.02
WEIGHTED AVERAGE SHARES OUTSTANDING - BASIC		29,934,120	30,486,038
WEIGHTED AVERAGE SHARES OUTSTANDING - DILUTED		29,937,330	30,493,701

<FN>
The accompanying notes are an integral part of these consolidated financial statements.
</FN>
</TABLE>

<TABLE>
<CAPTION>
ROLLINS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)
(Unaudited)

<S>	<C> Quarters Ended March 31, 2000	<C> 1999
OPERATING ACTIVITIES		
Net Income	$ 794	$ 467
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	4,267	2,997
Provision for Deferred Income Taxes	550	1,679
Other, Net	604	(133)
(Increase) Decrease in Assets:		
Trade Receivables	(1,275)	3,839
Materials and Supplies	(164)	(856)
Other Current Assets	(1,950)	(2,754)
Other Non-Current Assets	362	64
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	(1,723)	691
Unearned Revenue	4,866	2,617
Accrued Insurance	(861)	3,779
Accrual for Termite Contracts	(1,905)	(4,285)
Long-Term Accrued Liabilities	(2,131)	(3,536)
Net Cash Provided by Operating Activities	1,434	4,569
INVESTING ACTIVITIES		
Purchases of Equipment and Property	(4,990)	(3,208)
Net Cash Used for Acquisition of Companies	(2,424)	(169)
Marketable Securities, Net	10,894	684
Net Cash Provided by (Used in) Investing Activities	3,480	(2,693)
FINANCING ACTIVITIES		
Dividends Paid	(1,492)	(1,524)
Common Stock Purchased and Retired	--	(143)
Payments on Capital Leases	(1,478)	(835)
Other	(25)	28
Net Cash Used in Financing Activities	(2,995)	(2,474)
Net Increase (Decrease) in Cash and Short-Term Investments	1,919	(598)
Cash and Short-Term Investments at Beginning of Period	5,689	1,244
Cash and Short-Term Investments at End of Period	$ 7,608	$ 646

<FN>
The accompanying notes are an integral part of these consolidated financial statements.
</FN>
</TABLE>

ROLLINS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1. BASIS OF PREPARATION

The consolidated financial statements included herein have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Footnote disclosures normally included in the financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted pursuant to such rules and regulations.

These consolidated financial statements should be read in conjunction with the financial statements and related notes contained in the Company's annual report on Form 10-K for the year ended December 31, 1999.

In the opinion of management, the consolidated financial statements included herein contain all normal recurring adjustments necessary to present fairly the financial position of the Company as of March 31, 2000 and December 31, 1999, and the results of operations and cash flows for the quarters ended March 31, 2000 and 1999. Operating results for the quarter ended March 31, 2000 are not necessarily indicative of the results that may be expected for the year ended December 31, 2000.

In 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 130 (SFAS 130), "Reporting Comprehensive Income," effective for fiscal years beginning after December 15, 1997. For the quarters ended March 31, 2000 and 1999, comprehensive income is not materially different from net income and, as a result, the impact of SFAS 130 is not reflected in the Company's consolidated financial statements included herein.

Certain amounts for prior periods have been reclassified to conform with the current period consolidated financial statement presentation. Such reclassifications had no effect on previously reported net income.

NOTE 2. PROVISION FOR INCOME TAXES

The book provision for income taxes includes the liability for state income taxes, net of the federal income tax benefit. The deferred provision for income taxes arises from the changes during the year in the Company's net deferred tax asset or liability.

NOTE 3. EARNINGS PER SHARE

Pursuant to the provisions of Statement of Financial Accounting Standards No. 128, "Earnings Per Share," the number of weighted average shares used in computing basic and diluted earnings per share (EPS) are as follows (in thousands):

<TABLE>
<CAPTION>

	Quarters Ended March 31, 2000	1999
<S>	<C>	<C>
Basic EPS	29,934	30,486
Effect of Dilutive Stock Options	3	8
Diluted EPS	29,937	30,494

</TABLE>

NOTE 4. LEGAL PROCEEDINGS

One of the Company's subsidiaries, Orkin Exterminating Company, Inc., is a named defendant in Helen Cutler and Mary Lewin v. Orkin Exterminating Company., Inc. et al. pending in the District Court of Houston County, Alabama. The plaintiffs in the above mentioned case filed suit in March of 1996 and are seeking monetary damages and injunctive relief for alleged breach of contract arising out of alleged missed or inadequate reinspections. The attorneys for the plaintiffs contend that the case is suitable for a class action and the court has ruled that the plaintiffs would be permitted to pursue a class action lawsuit against Orkin. The Company believes this case to be without merit and intends to defend itself vigorously at trial. At this time, the final outcome of the litigation cannot be determined. However, it is the opinion of Management that the ultimate resolution of this action will not have a material adverse effect on the Company's financial position, results of operations or liquidity.

Additionally, in the normal course of business, the Company is a defendant in a number of lawsuits which allege that plaintiffs have been damaged as a result of the rendering of services by Company personnel and equipment. The Company is actively contesting these actions. It is the opinion of Management that the outcome of these actions will not have a material adverse effect on the Company's financial position, results of operations or liquidity.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The Company reported net income of $794,000 or $0.03 per share for the quarter compared to net income of $467,000 or $0.02 per share for the comparable quarter in 1999. Revenues for the first quarter ended March 31, 2000 increased 15.1% to $149.6 million.

The improvement in earnings for the quarter resulted primarily from quarter-over-quarter increases in both pest and termite control revenue and Cost of Services Provided and Selling, General and Administrative margin improvements. The improvements in revenue and Cost of Services Provided and Selling, General and Administrative margins were partially offset by a decrease in Interest Income and a $203,000 increase in Provision (Benefit) for Income Taxes.

The Company's revenue improvement for the eighth consecutive quarter continued the positive momentum initiated in 1998. The Company believes the improvements in revenue and net income resulted from last year's acquisitions and the strategic programs initiated in 1998 and 1997 to build recurring revenue, expand the Company's commercial pest control business and contain termite claims costs.

Results of Operations

Revenues increased to $149.6 million for the first quarter 2000 from $129.9 million for the same period of 1999, primarily as a result of increases in pest control customer base and in average termite completion and annual renewal prices. The Company believes the increase in pest control customer base resulted from last year's acquisitions and the success of its more consumer-friendly selling and treatment programs.

Cost of Services Provided was approximately $10.2 million higher than the prior year quarter but improved to represent 58.2% of revenues compared with 59.2% for the same quarter of the prior year. The improvement was primarily attributable to reductions in termite claims experience and operating insurance costs, partially offset by increased pest service salaries resulting from increased revenue and headcount.

Selling, General and Administrative increased $6.6 million or 13.1% but decreased as a percentage of revenues to 38.1% compared with 38.8% for the same quarter of the prior year. The improvement as a percentage of revenues was primarily due to better leveraging of fixed costs due to higher revenues.

Interest Income decreased $1.1 million primarily due to lower invested funds over the same period of the prior year.

The Company's net tax provision of $487,000 for the quarter reflects increased taxable income, as compared to a provision of $284,000 for the same quarter in 1999.

<TABLE>
<CAPTION>

Financial Condition

(In thousands)	March 31, 2000	December 31, 1999
<S>	<C>	<C>
Cash and Short-Term Investments	$ 7,608	$ 5,689
Marketable Securities	2,190	12,967
	9,798	18,656
Current Ratio	0.9	1.0

</TABLE>

The Company believes its current cash balances, future cash flows from operating activities and line of credit will be sufficient to finance its current operations and obligations, and fund expansion of the business for the foreseeable future. The Company experienced positive cash flow from operating activities during the first quarter 2000 of $1.4 million, compared with cash provided by operating activities of approximately $4.6 million in the same period of 1999. This decrease resulted primarily from unfavorable changes in working capital related primarily to differences in the timing of accounts receivable, accounts payable and other accrued expenses, partially offset by higher net income from operations, adjusted for non-cash items.

The Company invested approximately $7.4 million in capital expenditures and acquisitions in the first quarter 2000, and expects to invest between $20.0 and $25.0 million in the remainder of 2000, inclusive of improvements to its management information systems. Capital expenditures in the first quarter 2000 consisted primarily of equipment replacements and upgrades and improvements to the Company's management information systems. A total of $1.5 million was paid in cash dividends during the first quarter 2000. The capital expenditures, acquisitions and cash dividends were primarily funded through existing cash balances, marketable securities and operating activities. The Company maintains a $40.0 million line of credit, which is available for future acquisitions and growth, if needed.

In 1997 and 1998, Orkin and other pest control industry companies received letters from the Federal Trade Commission (FTC) advising of its investigation of the pest control industry - more specifically, the termite and moisture control practices of the industry - and requesting certain information voluntarily from the Company. Orkin has voluntarily provided the information requested and has advised the FTC of the Company's intention to continue to cooperate fully with this investigation. At this point in time, management does not believe this investigation will have a material effect upon its results of operations or financial condition. In addition, the Company is aggressively defending a class action lawsuit filed in Dothan, Alabama. For further discussion, see Note 4 to the accompanying consolidated financial statements.

Year 2000 Issues

Aware that the Year 2000 (Y2K) information technology programming issue could have a significant potential impact on its future operations and financial reporting, the Company began its assessment and remediation processes in 1997 regarding its primary financial and operating systems. The Company's assessment activities included (1) identifying all software and operating systems - both information technology (IT) systems and non-IT systems with embedded technology - - which are critical to operations and/or financial reporting, (2) testing of such software and systems for Y2K compliance, and (3) obtaining assurances from the Company's vendors and its large commercial customers. The Company's remediation activities included replacing certain software and operating systems, followed by testing to ensure the Y2K compliancy of the replacements.

As of April 28, 2000, the Company has not experienced any material adverse effects as a result of Y2K related problems. Although the Company has not endured any material adverse Y2K effects and does not anticipate any such problems, it is possible that certain Y2K problems may exist but have not yet materialized. The total amount of Y2K expenditures as of March 31, 2000 was approximately $19.7 million. Any additional Y2K expenditures are not expected to have a material impact on the Company's results of operations, cash flows or financial position.

Impact of Recent Accounting Pronouncements

In 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities." In second quarter 1999, the Financial Accounting Standards Board voted to delay the effective date of this standard to fiscal years beginning after June 15, 2000. The adoption of this standard, effective for the Company as of January 1, 2001, is not expected to materially impact the results of operations or financial condition of the Company.

Forward-Looking Statements

This Form 10-Q contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include statements regarding the expected impact of the outcome of litigation arising in the ordinary course of business and the outcome of the Helen Cutler and Mary Lewin v. Orkin Exterminating Company., Inc., et al. ("Cutler") litigation on the Company's financial condition, and the Company's ability to fund current operations and obligations and proposed expansion. The actual results of the Company could differ materially from those indicated by the forward-looking statements because of various risks and uncertainties including, without limitation, the possibility of a court ruling against the Company in litigation or in the Cutler litigation; general economic conditions; market risk; changes in industry practices or technologies; the degree of success of the Company's termite process reforms and pest control selling and treatment methods; the Company's ability to identify potential acquisitions; climate and weather trends; competitive factors and pricing practices; the failure of the Company or its major suppliers or customers to adequately address the Year 2000 programming issue; potential increases in labor costs; and changes in various government laws and regulations, including environmental regulations. All of the foregoing risks and uncertainties are beyond the ability of the Company to control, and in many cases the Company cannot predict the risks and uncertainties that could cause its actual results to differ materially from those indicated by the forward-looking statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

The Company maintains an investment portfolio, comprised of U.S. government and corporate debt securities, which is subject to interest rate risk exposure. This risk is managed through conservative policies to invest in high-quality obligations. The Company has performed an interest rate sensitivity analysis using a duration model over the near term with a 10% change in interest rates. The Company's portfolio is not subject to material interest rate risk exposure based on this analysis, and no material changes in market risk exposures or how those risks are managed are expected.

PART II OTHER INFORMATION

Item 1. Legal Proceedings.

See Note 4 to Part I, Item 1 for discussion of certain litigation.

Item 2. Changes in Securities and Use of Proceeds.

On March 1, 2000, the Company acquired the pest elimination business of R-S Exterminating Company, partially in exchange for 152,675 shares of the Company's Common Stock. The market value of the Common Stock issued was approximately $2.4 million, which the Company believes approximates the fair value of the net assets acquired. Since the issuance of these shares was not a public issuance, these shares of Common Stock were exempt from registration under the Securities Act of 1933, as amended, Section 4, Paragraph 2.

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits

(3)(i) Restated Certificate of Incorporation of Rollins, Inc. is incorporated herein by reference to Exhibit 3 (i) as filed with its Form 10-K for the year ended December 31, 1997.

(ii) By-laws of Rollins, Inc. are incorporated herein by reference to Exhibit (3) (ii) as filed with its Form 10-Q for the quarterly period ended March 31, 1999.

(4) Form of Common Stock Certificate of Rollins, Inc. is incorporated herein by reference to Exhibit (4) as filed with its Form 10-K for the year ended December 31, 1998.

(27)(a) Financial Data Schedule (For Commission Use Only).

(27)(b) Restated Financial Data Schedule (For Commission Use Only).

(b) Reports on Form 8-K.

No reports on Form 8-K were filed or were required to be filed during the first quarter of 2000.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ROLLINS, INC.
(Registrant)

Date: May 12, 2000 By: /s/ Gary W. Rollins

Gary W. Rollins

President and Chief Operating Officer
(Member of the Board of Directors)

Date: May 12, 2000 By: /s/ Harry J. Cynkus

Harry J. Cynkus
Chief Financial Officer and Treasurer
(Principal Financial and Accounting
Officer)

<TABLE> <S> <C>

<ARTICLE> 5

<LEGEND>

This schedule contains summary financial information extracted from the Registrant's unaudited financial statements contained in its report on Form 10-Q for the quarterly period ended March 31, 1999 and is qualified in its entirety by reference to such financial statements.

</LEGEND>

<RESTATED>

<CIK>	0000084839
<NAME>	ROLLINS, INC.
<MULTIPLIER>	1,000
<CURRENCY>	USD
<S>	<C>
<PERIOD-TYPE>	3-MOS
<FISCAL-YEAR-END>	DEC-31-1999
<PERIOD-START>	JAN-01-1999
<PERIOD-END>	MAR-31-1999
<EXCHANGE-RATE>	1.0
<CASH>	646
<SECURITIES>	109,296
<RECEIVABLES>	43,696
<ALLOWANCES>	5,173
<INVENTORY>	14,193
<CURRENT-ASSETS>	196,136
<PP&E>	78,503
<DEPRECIATION>	42,072
<TOTAL-ASSETS>	324,362
<CURRENT-LIABILITIES>	118,455
<BONDS>	0
<PREFERRED-MANDATORY>	0
<PREFERRED>	0
<COMMON>	30,476
<OTHER-SE>	48,425
<TOTAL-LIABILITY-AND-EQUITY>	324,362
<SALES>	0
<TOTAL-REVENUES>	129,886
<CGS>	0
<TOTAL-COSTS>	76,832
<OTHER-EXPENSES>	52,303
<LOSS-PROVISION>	0
<INTEREST-EXPENSE>	0
<INCOME-PRETAX>	751
<INCOME-TAX>	284
<INCOME-CONTINUING>	467
<DISCONTINUED>	0
<EXTRAORDINARY>	0
<CHANGES>	0
<NET-INCOME>	467
<EPS-BASIC>	0.02
<EPS-DILUTED>	0.02

</TABLE>

<TABLE> <S> <C>

<ARTICLE> 5

<LEGEND>

This schedule contains summary financial information extracted from the Registrant's unaudited financial statements contained in its report on Form 10-Q for the quarterly period ended March 31, 1999 and is qualified in its entirety by reference to such financial statements.

</LEGEND>

<RESTATED>

<CIK>	0000084839
<NAME>	ROLLINS, INC.
<MULTIPLIER>	1,000
<CURRENCY>	USD
<S>	<C>
<PERIOD-TYPE>	3-MOS
<FISCAL-YEAR-END>	DEC-31-1999
<PERIOD-START>	JAN-01-1999
<PERIOD-END>	MAR-31-1999
<EXCHANGE-RATE>	1.0
<CASH>	646
<SECURITIES>	109,296
<RECEIVABLES>	43,696
<ALLOWANCES>	5,173
<INVENTORY>	14,193
<CURRENT-ASSETS>	196,136
<PP&E>	78,503
<DEPRECIATION>	42,072
<TOTAL-ASSETS>	324,362
<CURRENT-LIABILITIES>	118,455
<BONDS>	0
<PREFERRED-MANDATORY>	0
<PREFERRED>	0
<COMMON>	30,476
<OTHER-SE>	48,425
<TOTAL-LIABILITY-AND-EQUITY>	324,362
<SALES>	0
<TOTAL-REVENUES>	129,886
<CGS>	0
<TOTAL-COSTS>	76,832
<OTHER-EXPENSES>	52,303
<LOSS-PROVISION>	0
<INTEREST-EXPENSE>	0
<INCOME-PRETAX>	751
<INCOME-TAX>	284
<INCOME-CONTINUING>	467
<DISCONTINUED>	0
<EXTRAORDINARY>	0
<CHANGES>	0
<NET-INCOME>	467
<EPS-BASIC>	0.02
<EPS-DILUTED>	0.02

</TABLE>